



# The economics of the modern American comic book market

Jerry Hionis<sup>1</sup> · YoungHa Ki<sup>1</sup>

Received: 11 September 2017 / Accepted: 6 October 2018 / Published online: 26 October 2018  
© Springer Science+Business Media, LLC, part of Springer Nature 2018

## Abstract

Since the 1930s, comic books in America have risen to be an important component in the market of entertainment goods and services. This paper presents a holistic economic analysis of the modern American comic book industry in recent years, from the creation of the artwork, to its distribution system and, ultimately, the sale to the consumer. Using distributor data from 2005 to 2017, our analysis shows that while the industry has seen its share of booms-and-busts, the profitability of licensing, advertising, growing market concentration, and a steady readership has caused the industry to consistently grow, albeit at a slow pace, since its decline in the 1990s. Further, it is discovered that publisher “special events” and the recent rise in comic book-based films has had little to no effect on comic book sales within the American market.

**Keywords** Comic books · Media economics · Economics of entertainment · Cultural economics · Industrial organization · Economics of the arts

## 1 Introduction

Leisure time, as most labor economists would define it, in the USA (as in other developed economies) has increased substantially since the Industrial Revolution. With the increase in such time, markets for *entertainment* began to emerge. Unlike other types of goods and services, the utility gained from entertainment is not due to the good or service’s function per se, but the experience the consumer has while consuming it. Given such subjective criteria, what is and is not considered entertainment will change from person to person. Essentially, a good or service is held to be entertainment if it can provide three basic psychological goals: *accomplishment*, understanding the complexity and context of the medium; *autonomy*, a sense of individualism and self-discovery; and, *relatedness*, self-identification with the medium (Vogel 2015). In many ways, most entertainment

---

✉ Jerry Hionis  
jhionis@gmail.com

<sup>1</sup> Department of Accounting, Economics and Finance, Widener University, Chester, USA

goods and services echo the same satisfaction brought about by games; that is, they are meant to give “pleasure, freedom and escape from urgent need” (Chatfield 2010). To make it plain, entertainment should keep one’s attention while increasing the utility of the consumer (Rieger and Vorderer 2017; Vorderer et al. 2004).

At its inception, the *comic book* has been produced purely as a means of entertainment. From an economic perspective, comic books are *private goods* in that they are both exclusive and rivalrous in nature; that is, they must be purchased to read and can only be consumed by one individual at a time. Like other entertainment goods and services, comic books are unique in that they create utility in a few different ways. Most immediately, comics are novelties that give the reader a subjective, experiential *hedonic value* (see Roach and Wyburn 2009; Wyburn and Roach 2012). Additionally, this value one receives from reading a comic book increases as more is consumed. Within the field of cultural economics, such a good has a “learning-by-consuming” characteristic where the utility gained via consumption grows as one increases said consumption; Becker and Murphy (1988) refer to this as the *rational addiction* property (Brito and Barros 2005).

While the origination of the comic book as we know it today can be debated, it is clear that markets for such material were found throughout America, Western Europe, and the UK as early as the nineteenth century, and even earlier in Japan (Gabilliet 2009). In the USA specifically, the “modern” comic book market is often defined as the emergence of short and cheap, both in cover price and production quality, volumes sold on newsstands during the 1930s (Beerbohm and Olson 2009). These Depression-era collections of previously printed comic strips found in daily newspapers, comic books have not only grown to encompass the world of modern literature through the medium of graphic novel storytelling, but also given rise to economically vital entertainment markets such as clothing, toys, video games, television shows and movies.

The American market has gone through a series of peaks and troughs since the 1930s. Collector speculation gave rise to a massive bubble in the late 1980s/early 1990s, only to soon hit a sudden nadir in sales a few years later (Groth 1987; Dean 2006). This collapse was exemplified by the bankruptcy of one of the market leaders: Marvel Comics. With the financial and critical success of comic-based films over the past decade, the industry has grown to hit its highest revenue marks in its history (see Gabilliet 2009 or Lente and Dunlavy 2012 for an illustrative history of the industry).

Yet there has been very little economic research done in this field. One reason for this oversight may be due to its size. Comic books are, generally, a niche market. Even within the shared industry of “hobbies and gaming,” comic books play both a cooperative and competitive role among similar interests such as cosplay, tabletop gaming, video games and graphic novels. In 2016, the industry site ICv2 estimated the market to have earned \$1.085 billion, a 5% increase from the previous year. More specifically, \$995 million of the sales came from both graphic novels and comic books, while non-subscription online sales have been estimated at only \$90 million (ICv2 2017). Given both the higher price point and increased demand, graphic novels and trade paperbacks contribute to a small majority of sales. Yet